

**2010 GENERAL TAX CITIZEN OVERSIGHT ADVISORY COMMITTEE
REGULAR SESSION
AUGUST 17, 2015
5:15 P.M.**

Committee Members:

Sonia Redona, Vice-Chairperson
Guillermo Hermosillo, Member
Francisco Sanchez, Member
Luis M. Gonzalez, Member
Norma Aguilar, Member

**City of Calexico
608 Heber Avenue
Calexico, CA 92231**

Interim City Manager

Richard N. Warne

Council Members:

John M. Moreno, Mayor
Joong S. Kim, Mayor Pro Tem
Luis M. Castro, Councilman
Armando Real, Councilman
Maritza Hurtado, Councilwoman

*****AGENDA*****

**CALL TO ORDER AND ATTENDANCE
PLEDGE OF ALLEGIANCE
APPROVAL OF AGENDA**

ANNOUNCEMENTS/PUBLIC COMMENTS: *Public comments are welcome. Each person wishing to address the Committee regarding items not on the posted agenda may do so at this time.*

BUSINESS ITEMS

1. Proposed FY 2015-2016 Measure H Expenditures.

ADJOURNMENT

Measure H Sales Tax Operations Special Revenue Fund and Measure H Sales Tax Bond Capital Projects Fund

Measure H Sales Tax Funds Mission

The mission of the Measure H Sales Tax Operations Special Revenue Fund and Measure H Sales Tax Bond Capital Projects Fund is to account for all of the assets, liabilities, revenues and expenditures related to approval of the voters of a half-cent sales tax for general government purposes on June 8, 2010, and the capitalization of Measure H funds through the issuance of \$11,200,000 in Tax/Lease Revenue Bonds in 2014 for a fire station, swimming pool and park improvements.

Measure H Sales Tax Funds Description

Section 7285.9 of the California Revenue and Taxation Code authorizes cities to levy a transactions and use tax ("sales tax" or "sales and use tax") to be expended for general purposes, which transactions and use tax is subject to the approval by two-thirds vote of all members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue.



On March 2, 2010, the City Council in Ordinance No. 1111 authorized a vote of the people to increase the sales tax by half a cent for 20 years for general government purposes. The ordinance also created a Citizen Oversight Advisory Committee, comprised of an appointment by each member of the City Council, whose term corresponds with the appointing Council Member's term of office. The Oversight Committee oversees, recommends and reports to the City Council on the expenditure of the proceeds of the tax created by the ordinance.

The measure was submitted to the voters of the City of Calexico as required by Section 53720 et. Seq. of the California Government Code, approved by the voters of California in 1986 as Proposition 62; as required by Article XIII C of the California Constitution, approved by the voters of California in 1996 as Proposition 218; and as required by Section 7285.9 of the California Revenue and Taxation Code.

On June 8, 2010, Measure H was approved by the voters. 2,031 (59.98%) voted "yes" and 1,335 (40.02%) voted "no."

On July 2, 2013, the Calexico City Council authorized the issuance of \$11,200,000 in bonds to capitalize Measure H revenues to complete larger projects.

The 2014 Tax/Lease Revenue Bonds were issued pursuant to the provisions relating to the joint exercise of power found in Chapter 5 of Division 7 title 1 of the California Government Code, including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, and the Trust agreement with the City of Calexico, the Calexico Public Financing Authority U.S. National Bank Association. The bond proceeds

will be used to build capital facilities throughout the City, including a new fire station. Approximately \$7,000,000 of the bond proceeds will be used to acquire land, design, and then construct a new fire station facility. In addition, approximately \$1,800,000 in bond proceeds will be used for various park and other recreation improvements, and another \$2,000,000 to fund the City's share of a joint Calexico School District/City swimming pool.

The City received \$10,860,724 in bond proceeds after paying all issuance costs relating to the \$11,200,000 Measure H Sales Tax/Lease Revenue bonds.

Goals, Objectives and Performance Measures

(To Be Completed by June 30, 2016)

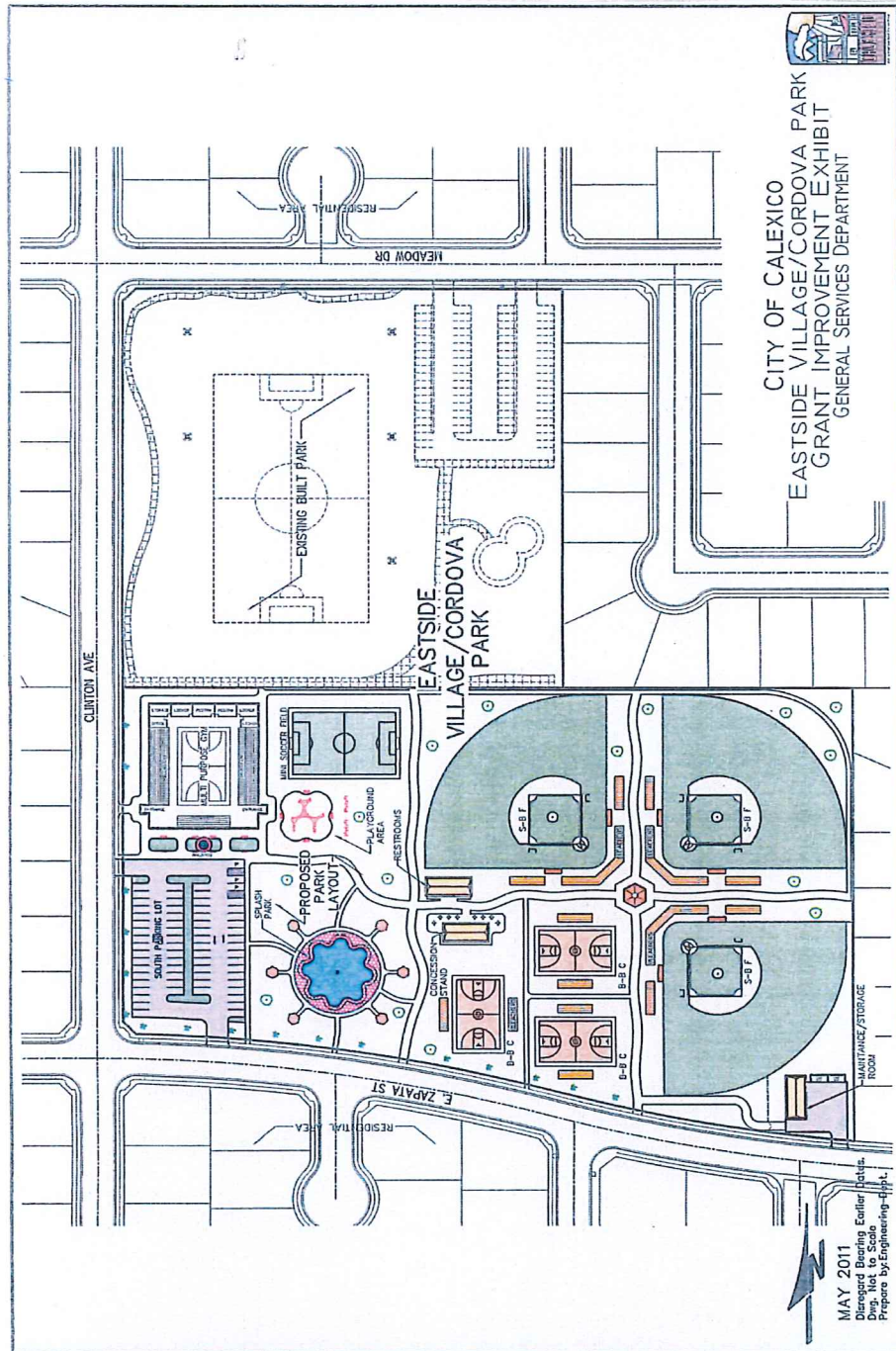
Measure H Sales Tax Operations Special Revenue Fund.

1. Plan, implement and execute summer recreation programs using Measure H funds.
2. Complete library repairs and improvements using Measure H funds.
3. Make Measure H Sales Tax contribution to the joint City of Calexico and Calexico Unified School District Swimming pool (\$1,000,000).
4. Comply with all bond covenants, Security and Exchange Commission regulations and Internal Revenue Service (IRS) regulations as it relates to the expenditure of bond proceeds.
5. Make bond principal and interest payments required by Measure H debt issued by the City of Calexico.

Measure H Sales Tax Bond Capital Projects Fund.

1. Acquire land, design, and construct a new fire station facility.
2. Design and construct Phase I of the Adrian Cordova Park.
3. Install field lights on Reisin Field to extend the hours of operation of the field.
4. Install field lights on the Field at the corner of Fifth Street and Andrade to extend the hours of operation of the field.
5. Make Measure H Sales Tax bond contribution to the joint City of Calexico and Calexico Unified School District Swimming pool (\$2,000,000).

Figure 61
Adrian Cordova Park Concept Plan



Community Vision and Community Values Link

The annual goals and performance measures are linked and established to achieve the Long-term Community Vision based on Community Values.

Value: Recognizes that Calexico is an ethnically and culturally rich and diverse community, located on the border between California and Mexico. It capitalizes on the trade, commerce, culture and energy that comes with its unique status as an international gateway city.

Value: Promotes the development of a wholesome and attractive city, resulting in orderly development and preservation of its historic, cultural roots and natural beauty.

Value: Provides a clear and clean visual image of the community that reflects the highest standards of design for public and private commercial, residential, institutional and industrial development.

Value: Promotes the development of building and public infrastructure that is practical, aesthetically pleasing and in harmony with the surrounding environment.

Value: Promotes an atmosphere in which people can live in good health, move about the community (even at night) and feel confident that they and their property are protected from criminal harm, flood, fire and natural hazards.

Value: Promotes efficient and effective municipal services that makes adequate provisions for police, fire, emergency medical, roads, water, sewer, natural gas, power, storm water, schools, parks libraries and other public facilities and services.

Value: Provides a municipal government that is honest, dependable, inventive, creative, economical and ethical.

Value: Provides cultural, recreational and contemplative opportunities for residents and visitors to Calexico.

Vision: Calexico will be a distinctive, international gateway, border community where commerce, culture, and opportunity come together in an ethnically and culturally diverse community. It encourages the involvement of responsible citizens. The City Council is committed to a clean, attractive, and safe community; to the provision of excellent City services, facilities and infrastructure; to the creation of a prosperous local economy; and to provide a responsive, open and transparent City government.

Vision: Our City will provide economic and efficient City services; be sensitive to customer satisfaction; have exceptional parks public facilities and cultural amenities; provide safe and convenient access within the City; have flood control facilities, sewer, water and power systems built to protect property and public health; provide necessary space for the operation of City business and for community cultural opportunities through City and other civic buildings; and reflect sensitivity to resource conservation.

Vision: The City government will be competent, responsive, open, trustworthy, and transparent; maximize citizen participation in community decisions; minimize bureaucracy, emphasize efficiency and be accessible to all citizens; be fiscally responsible and financially stable; promote long-term goals of the City while addressing immediate needs and desires; operate in an ethical, customer-friendly, cost-conscious, collaborative and technologically advanced manner; create a challenging and supportive environment which treats employees fairly, promotes team work, and provides employee career development opportunities.

Revenue Assumptions

Measure H Sales Tax Special Operations Fund. FY2016 Measure H Sales Tax Special Revenue Fund revenues are projected to include \$600,000 from Measure H sales tax collections and \$1,600,000 from the uncommitted Measure H Fund Balance. Total FY2016 revenues are projected to be \$2,200,442. Expenditures for FY2016 include \$145,000 for summer recreation programs, \$69,342 for library repairs and improvements, \$986,100 in bond principal and interest payments on outstanding Measure H bonds and \$1,000,000 for the construction of the Calexico swimming pool with the Calexico Unified School District. Total Measure H expenditures are projected to be \$2,200,442. There will be no fund balance in the Measure H Sales Tax Special Revenue Fund on June 30, 2016.

Measure H Sales Tax Bond Capital Projects Fund. On July 2, 2013, the Calexico City Council authorized the issuance of \$11,200,000 in bonds to capitalize Measure H revenues to complete larger projects. The City received \$10,860,724 in bond proceeds after paying all issuance costs relating to the \$11,200,000 Measure H Sales Tax/Lease Revenue bonds.

The 2014 Tax/Lease Revenue Bonds were issued pursuant to the provisions relating to the joint exercise of power found in Chapter 5 of Division 7 title 1 of the California Government Code, including the provisions of the Marks-Roos Local Bond Pooling Act of 1985, and the Trust Agreement with the City of Calexico, the Calexico Public Financing Authority U.S. National Bank Association. The bond proceeds will be used to build capital facilities throughout the City, including a new fire station. Approximately \$7,000,000 of the bond proceeds will be used to acquire land, design, and then construct a new fire station facility; and \$2,000,000 will be used to fund the City's share of a joint City/Calexico Unified School District swimming pool.

In addition to the swimming pool, Measure H bond proceeds will be used to pay for lights on Reisin Field (\$300,000) and lights on the recreation field at the corner of Fifth Street and Andrade Avenue (\$80,000). \$1,480,724 will be used to design and construct the first phase of Cordova Park.

All Measure H bond proceeds are projected to be spent during FY2016. There is no fund balance projected for June 30, 2016.



Measure H Sales Tax Operations **Special Revenue Fund Revenues**

Revenues

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Measure H Revenues ¹⁰⁴	0	0	0	600,000,
	Use of Uncommitted Measure H Fund Balance ¹⁰⁵	98,000	344,869	1,599,796	1,600,422
	Total Measure H Sale Tax Operations Special Revenue Fund Revenues	98,000	344,869	1,599,796	2,200,442

Total Measure H Sales Tax Operations Special Revenue Fund Revenues

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Total Measure H Sales Tax Operations Special Revenue Fund Revenues	98,000	344,869	1,599,796	2,200,442

¹⁰⁴ Section 7285.9 of the California Revenue and Taxation Code authorizes cities to levy a transactions and use tax ("sales tax" or "sales and use tax") to be expended for general purposes, which transactions and use tax is subject to the approval by two-thirds vote of all members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue.

On March 2, 2010, the City Council in Ordinance No. 1111 authorized a vote of the people to increase the sales tax by half a cent for 20 years for general government purposes. The ordinance also created a Citizen Oversight Advisory Committee comprised of an appointment by each member of the City Council whose term corresponds with the appointing Council Member's term of office. The Oversight Committee oversees, recommends, and reports to the City Council on the expenditure of the proceeds of the tax created by the ordinance.

The measure was submitted to the voters of the City of Calexico as required by Section 53720 et. Seq. of the California Government Code, approved by the voters of California in 1986 as Proposition 62; as required by Article XIII C of the California Constitution, approved by the voters of California in 1996 as Proposition 218; and as required by Section 7285.9 of the California Revenue and Taxation Code. On June 8, 2010, Measure H was approved by the voters. 2,031 (59.98%) voted "yes" and 1,335 (40.02%) voted "no."

¹⁰⁵ The use of \$98,000 in FY2013, \$344,869 in FY2014, \$1,599,796 in FY2015 and \$1,600,000 in FY2016 from the Measure H Fund Balance represents the taking of prior year's accumulated fund surplus and appropriating it for expenditure in FY2013, FY2014, FY2015 and FY2016.

Measure H Sales Tax Operations Special Revenue Fund Expenditures

Maintenance and Operations

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Summer Recreation Programs	98,000	140,000	145,000	145,000
	Fire Truck Lease Payments	0	204,869	204,869	0
	Total Maintenance and Operations	98,000	344,869	349,869	145,000



Capital Expenditures

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Carnegie Technology Center Repairs and Improvements	0	0	19,718	0
	Camarena Memorial Library Repairs and Improvements	0	0	147,799	69,342
	Cultural Arts Center Repairs and Improvements	0	0	49,411	0
	Community Center Repairs and Improvements	0	0	44,478	0
	Senior Citizens Hall	0	0	10,789	0
	Calexico Swimming Pool ¹⁰⁶	0	0	0	1,000,000
	Total Measure H Special Revenue Fund Capital Expenditures	0	0	272,195	1,069,342

¹⁰⁶ **Swimming Pool Project.** The swimming pool used by the Calexico Unified School District ("School District") and the City of Calexico ("City") was severely damaged in the April 2010 earthquake. Members of the City of Calexico City Council, Calexico United School District Board and the staffs of both entities have been working since the Spring 2012 in a joint effort to construct a new swimming pool facility. Over the last two years the efforts of these dedicated individuals have moved this project towards construction. The project will consist of a new competition swimming pool, new recreation and wading pool, new shower, and locker building and a multi-purpose recreation building that will be used jointly by the City and School District for recreation and athletic programs.

The Calexico Unified School District has completed demolition of the old swimming pool and prepared plans and specifications that have been approved by the Division of the State Architect. The City also completed the environmental document required under the California Environmental Quality Act (CEQA) and submitted it to Imperial County. The environmental protest period has passed and the environmental document is deemed by law to be approved. The project has been bid in accordance with Public Contract Code Section 20112. Senator Ben Hueso secured an appropriation of \$2,717,000 in the FY2014-2015 State Budget for the swimming pool project. Funding for the swimming pool will come from the following sources:

Swimming Pool Funding

SOURCE	AMOUNT
State Local Assistance Specified Grant	\$ 2,717,000
Calexico Unified School District – FEMA Grant	400,000
Calexico Unified School District RDA 2011 Bond	1,441,398
City of Calexico Measure H	1,000,000
City of Calexico Measure H Bond	2,000,000
TOTAL	\$ 7,558,398

On March 19, 2014, the Calexico City Council voted 4-1 to allocate \$1 million in Measure H Funds for the construction of the Calexico Swimming Pool in partnership with the Calexico Unified School District.

Debt Service Expenditures

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Measure H Sales Tax/Lease Revenue Bonds Principal	0	0	361,000	525,000
	Measure H Sales Tax/Lease Revenue Bonds Interest	0	0	616,240	461,100
	Total Measure H Debt Service Expenditures	0	0	977,732	986,100

Total Measure H Sales Tax Operations Special Revenue Fund Expenditures

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Total Measure H Special Revenue Fund Expenditures	98,000	344,869	1,599,796	2,200,442

Measure H Sales Tax Bond Capital Projects Fund Revenues

Revenues

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Measure H Bond Revenues ¹⁰⁷	0	0	50,000	10,850,724
	Total Measure H Sales Tax Bond Capital Projects Fund Revenues	0	0	50,000	10,850,724

Total Measure H Sales Tax Bond Capital Projects Fund Revenues

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Total Measure H Sales Tax Bond Capital Projects Fund Revenues	0	0	50,000	10,850,724

¹⁰⁷ **Measure H Sales Tax/Lease Revenue Bonds.** In 2014 the City issued \$11,200,000 through the Calexico Public Financing Authority in Measure H Sales Tax/Lease Revenue Bonds. Bond proceeds will be used to build capital facilities throughout the City including \$7 million to acquire land, design and construct a new fire station facility, \$1.8 million for various park and other recreation improvements, and another \$2,000,000 to fund the City's share of a joint Calexico School District/City swimming pool.

The issue consists of serial bonds in the amount of \$11,200,000 with a net interest cost of 3.7595%. The City has pledged a half-cent sales tax approved by the voters on June 8, 2010 as security for the bond repayment. The outstanding balance of the bonds on June 30, 2015 was \$10,585,000.

Measure H Sales Tax Bond Capital Projects Fund Expenditures

Revenues

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Fire Station			50,000	6,950,000
	Calexico Swimming Pool	0	0	0	2,000,000
	Field Lights at Park on Fifth Street and Andrade ¹⁰⁸	0	0	0	80,000
	Field Lights at Reisin Field ¹⁰⁹	0	0	0	300,000
	Adrian Cordova Park	0	0	0	1,480,724
	Total Measure H Sales Tax Bond Capital Projects Fund Capital Expenditures	0	0	50,000	10,850,724

Total Measure H Sales Tax Bond Capital Projects Fund Expenditures

Account Number	Account Description	Actual FY2013	Actual FY2014	Estimated FY2015	Proposed FY2016
	Total Sales Tax Bond Capital Projects Fund Expenditures	0	0	50,000	10,850,724



¹⁰⁸ The Calexico City Council on January 20, 2015 approved the installation of field lights at the park on Fifth Street and Andrade. The International Brotherhood of Electrical Workers will provide free labor to install the lights. The City Council authorized the spending of \$80,000 to \$100,000 to purchase the materials for the lights.

¹⁰⁹ Field lights provide additional recreation opportunities for the residents of the community because they extend the daily and seasonal use of the fields. It is also cheaper to install field lights rather than construct new athletic fields.

The installation of field lights has been discussed by several City Councils over the years. The City Council approved the use of \$300,000 in Measure H funds on Jul7 7, 2015 for field lighting in the FY2016 budget. Discussions have been held with officials at the Imperial Irrigation District to determine if they would be willing to participate in this project by making a cash donation or donating some of the materials. So far there has been no commitment from them, but talks are continuing.